418

GOVERNMENT OF INDIA.

MINISTRY OF INDUSTRY AND SUPPLY.

New Delhi, the 2nd August 1948.

No. 80-Tex. 1/48.—In exercise of the powers conferred by section 3 of the Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946), the Central Government is pleased to make the following Order, namely :—

1. (i) This Order may be called the Cotton Textiles (Control) Order, 1948.
(ii) It extends to all the Provinces of India.
(iii) It shall come into force at once.

2. The Cotton Textiles (Control) Order, 1948 (Notification No. 80-Tex. 1/48, dated the 19th February 1948) is hereby repealed provided that any order made, notification issued, right accrued, penalty incurred, or anything done or deemed to have been done under the said Order shall be deemed to have been made, issued, accrued, incurred or done under the corresponding provisions of this Order.

3. In this Order, unless there is anything repugnant in the subject or context,—

(*a*) "Cloth" and "Yarn" mean respectively any type of cloth or yarn manufactured either wholly from cotton or partly from cotton and partly from any other material, but "cloth does not include—

(i) ready-made clothing other than dhoties and sarees ;

(ii) hosiery including hosiery knitted tubular fabric which has only a running thread knitted through the entire fabric ;

(iii) Leather cloth:—inferior or imitation leather cloth ordinarily used in book-binding and book-binding cloth ;

(iv) tracing paper ;

(v) cloth manufactured partly from cotton and partly from wool and containing 40 per cent or more of wool by weight ;

(vi) rubberised or synthetic water-proof fabrics whether single-textured or double-textured ;

(*b*) "Controller" means the principal officer appointed by a Provincial Government for the administration of the Textile Control and includes any other officer appointed by such Government to perform the functions of the Controller under this order or under the rules, orders and notifications issued thereunder ;

(*c*) "dealer" means a person carrying on the business of selling cloth or yarn or both, whether wholesale or retail and whether or not in conjunction with any other business and shall include master weavers of handloom cloth ;

(*d*) "manufacturer" includes a producer or processor, and the expression 'manufactured' and its grammatical variants shall be construed accordingly ;

(*e*) the expression 'offer to sell' shall be deemed to include a reference to an intimation by a person of the price proposed by him for the sale of an article, made by the publication of a price list by exposing the article for sale in association with or bearing a mark indicating price by the furnishing of a quotation or otherwise howsoever ;

(*f*) an article shall be deemed to be in the possession of a person when it is held on behalf of that person by another person or when held by that person on behalf of another person ;

(*g*) "processor" means a person engaged exclusively in any process ancillary to the production of cloth or yarn such as dyeing, bleaching, embroidering, printing and finishing; and the expression 'process' and its grammatical variants shall be construed accordingly;

(*h*) "producer" means a person engaged in the production of cloth or yarn or both by power as defined in section 2 (f) of the Factories Act, 1934 and the expression 'produce' and its grammatical variants shall be construed accordingly;

(*i*) "schedule article" means an article specified in schedule A, and includes any other article declared by the Central Government to be scheduled article for the purposes of this order;

(*j*) "starch" means starch made from wheat, rice, maize, jowar or any other foodgrain or from tapioca or potatoes and includes derivatives of starch and any modified form of starch so made;

(*k*) "Textile Commissioner" means the Textile Commissioner appointed by the Central Government and includes such Additional or Joint Textile Commissioners as may be appointed by the Central Government.

Raw Materials and Stores.

4. No person shall manufacture starch other than starch made from tapioca except under and in accordance with the terms of a licence granted by the Textile Commissioner.

5. (1) Every importer of a scheduled article shall, within 15 days of the date of the arrival of the consignment containing such article, furnish to the Textile Commissioner the following information in respect of the consignment—

(*a*) description and quantity of each of the articles included in the consignment;

(*b*) the landed cost of each item together with invoices and all other documents evidencing the price, buying commission, insurance premium, freight, customs duty, landing and clearing charges paid up to the deposit of the consignment in the consignee's warehouse or other place of storage.

(2) No importer shall sell or otherwise dispose of any such scheduled article, imported by him except in accordance with the instructions given to him by the Textile Commissioner: provided that if the importer does not receive any such instructions from the Textile Commissioner within 30 days of the receipt by the Textile Commissioner of the information submitted under sub-clause (1), the importer may subject to the provisions of clauses 6, 8 and 30 dispose of the consignment.

6. No person shall sell or dispose of any scheduled article except under and in accordance with—

(*a*) a seller's licence granted to him by the Textile Commissioner;

(*b*) a direction given to him by the Textile Commissioner under clause 8.

7. No person shall purchase or otherwise acquire any scheduled article except under and in accordance with a buyer's licence granted by the Textile Commissioner.

8. The Textile Commissioner may by order in writing require any importer of or dealer in any scheduled article to sell to such person as may be specified in the Order such quantities of the scheduled article and in the case of a scheduled article

of which the maximum prices have not been fixed under clause 9 at such price, as may be specified in the Order.

9. (1) The Textile Commissioner may by notification in the *Gazette of India* fix the maximum prices or rate at which any scheduled article may be sold;

(2) No person shall sell or offer to sell a scheduled article at a price exceeding maximum price specified under sub-clause (1).

10. (1) The Textile Commissioner may direct any person carrying on the business of producing or selling any scheduled article to mark such articles exposed or intended for sale with the sale price thereof, or to exhibit in his premises a price list of articles held by him for sale; and may further give directions as to the manner in which such directions shall be carried out.

(2) The Textile Commissioner may by order published in the *Gazette of India* issued a direction of the nature specified in sub-clause (1) generally to all persons carrying on the business of producing or selling any scheduled article or to any person or any class of such persons.

11. (1) Applications for licences under this Order shall be made in such form as the Textile Commissioner may prescribe;

(2) The Textile Commissioner may, without assigning any reason, refuse to grant a licence to any person and his decision shall be final;

(3) The Textile Commissioner may specify in the licence the conditions, if any, under which it is issued and the licensee shall comply with such conditions;

(4) The fees for the grant of a licence shall be such as the Textile Commissioner may, by notification in the official Gazette prescribe;

(5) Subject to the provisions of sub-clause (6) the licence shall be valid for the period specified therein and may be renewed;

(6) If the holder of a licence has supplied incorrect information in his application or in any return submitted by him or if he contravenes any condition of the licence, or if at any time the Textile Commissioner is satisfied that for any other reason the licensee is not a fit person to hold the licence, the Textile Commissioner may in his discretion and without prejudice to any other action which may be taken against the licensee, cancel or suspend his licence, and the order of the Textile Commissioner shall be final.

Cloth and Yarn.

12. (1) No producer who has a spinning plant shall in any quarter—

(*a*) purchase a quantity of yarn exceeding $\frac{1}{4}$ of the quantity of yarn purchased by him in the year 1944;

(*b*) sell a quantity of yarn less than $\frac{1}{4}$ of the quantity of yarn sold by him in the year 1944;

(2) No producer who has no weaving plant shall install or cause or permit to be installed any loom in his undertaking.

(3) No person shall acquire or install any loom to be worked by power as defined in section 2 (*f*) of the Factories Act, 1934.

(4) Any person having in his possession any loom which he is not entitled to work or cause or permit to be worked in accordance with this clause shall forthwith report the fact to the Controller and shall take such action as to its sealing or storage as the Controller may direct.

13. No person shall manufacture or cause to be manufactured any cloth containing any sizing or filling material or both of any descriptions exceeding in the aggregate—

(i) in the case of cloth wherein the count of warp yarn employed is 14s or coarser, 15 per cent of the weight of the cotton in the cloth;

(ii) in other cases, 10 per cent of the weight of the cotton in the cloth.

14. No person shall use wheat flour or glucose for the purpose of sizing or filling cloth.

15. No person shall sell or otherwise dispose of or purchase or otherwise acquire for the purpose of sale any cloth which has been manufactured in contravention of clause 13 or clause 14.

16. (1) For the purpose of Clauses 13 to 15 the proportion of sizing or filling material or both relative to the weight of the cotton in any finished cloth shall be determined by such test carried out by such person and in such manner as the Textile Commissioner, may, by notification prescribe.

(2) A certificate signed by an officer authorised to carry out tests in pursuance of sub-clause (1) stating the result of the test shall be conclusive proof that the test has been duly carried out in the manner prescribed and that the result thereof is as stated in the certificate.

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19. No producer shall produce any cloth with a border whether plain, dobby or jacquard containing folded yarn in excess of what is required for a 2" border.

20. The Textile Commissioner may from time to time issue directions in writing to any producer or class of producers or the producers generally, regarding the classes or specifications of cloth or yarn, and the maximum or the minimum quantities thereof, which they shall or shall not produce during such periods as may be specified in the directions, and they shall comply with such directions.

20A. No producer other than a producer who has no spinning plant shall produce any article of clothing or any other article from cloth.

20B. (i) No producer shall employ any spindle in his undertaking except for the spinning of yarn;

(ii) No producer having a spinning plant shall employ any loom in his undertaking except for the weaving of cloth.

(iii) No producer shall produce any yarn from a mixture of Indian cotton with foreign cotton.

Explanation.—'Indian cotton' and 'Foreign cotton' respectively shall have the meanings assigned to them under the Cotton Control Order, 1949; but 'Foreign cotton' for the purposes of sub-clause (iii) does not include cotton grown in Pakistan.

20C. No producer having a spinning plant shall undertake or carry out—

(*a*) any processing of any cloth or yarn not produced by him;

(*b*) the spinning of yarn out of cotton or cotton waste not owned by him.

21. (1) No manufacturer of cloth shall pack cloth except in bales containing not less than 1,450 yards and not more than 1,550 yards.

(2) No manufacturer of yarn shall pack yarn except in bales or packages containing not less than 380 lbs. and not more than 420 lbs.

(3) No manufacturer of cloth or yarn shall pack during any month a quantity of cloth or yarn less than—

(i) Eighty per cent of the total quantity of cloth or yarn respectively produced by him during the preceding month or

(ii) One-sixteenth of the total quantity of cloth or yarn respectively packed by him during the year 1948 whichever is lower.

(4) The Textile Commissioner, subject to sub-clauses (1) and (2) by a genera or special order, prescribe the manner in which any manufacturer shall pack cloth or yarn in bales or packages.

(5) No producer shall pack any cloth or yarn for export unless the same is covered by a contract of sale against a valid export licence.

22. (1) The Textile Commissioner may specify—

(*a*) the maximum prices ex-factory, wholesale and retail at which any class or specification of cloth or yarn may be sold;

(*b*) the markings to be made by a manufacturer or dealer on any class or specification of cloth or yarn manufactured or sold by him and the time and manner of making such markings.

(2) Notwithstanding anything contained in sub-clause (1) above the *Provincial Government* or *an officer authorised by the Provincial Government in this behalf may fix*—

(*a*) the ex-factory maximum price for the purpose of the special markings under clause 26 in respect of any type of cloth for which such price has not been specified by the Textile Commissioner under the said sub-clause;

(*b*) the maximum ex-factory, wholesale and retail at which any cloth produced by a manufacturer or other person referred to in the explanation to sub-clause (2) of clause 23 may be sold and may further specify the markings to be made on such cloth and the time and manner of making them;

(3) A Court shall presume unless the contrary is proved that the markings made on any cloth or yarn in the manner specified under this clause are made in accordance with this Order and that the prices so marked are the maximum prices specified under this clause.

23. (1) Where the marking to be made and the time and manner of making it in respect of any class or specification of cloth or yarn have been specified under clause 22,

(*a*) the manufacturer of, or, as the case may be, the dealer in such cloth or yarn shall cause the marking to be made thereon at the time and in the manner specified;

(*b*) no person other than such manufacturer or dealer shall cause the marking to be made on any such cloth or yarn;

(c) no person other than the manufacturer shall have in his possession or under his control any cloth or yarn which is not so marked, unless it be for *bona fide* personal requirements ;

(d) no person shall alter or deface or cause or permit to be altered or defaced any marking made on any such cloth or yarn held by him otherwise than for his *bona fide* personal requirements ;

(e) no person shall make on any cloth or yarn any marking resembling the prescribed marking :

(f) no person shall have in his possession or under his control otherwise that for this *bona fide* personal requirements any cloth or yarn the marking whereon is altered or defaced or is of a character specified in paragraph (e).

(2) No manufacturer shall sell or deliver—

(i) any cloth or yarn of which the maximum ex-factory price has not been specified by the Textile Commissioner under clause 22 ; and

(ii) any cloth unless he has previously sent to the Textile Commissioner a sample of such cloth of the dimensions of 6 " ×6 " together with true and accurate information, in the forms prescribed for this purpose by the Taxtile Commissioner, about the manufacturing particulars thereof and the manner in which its price has been calculated.

Explanation :—Nothing in this sub-clause applies to a manufacturer who does not manufacture any yarn or to a processor other than a processor of cloth or yarn produced by a producer having a spinning plant or to a person engaged in the production of handloom cloth.

(3) No person shall in the manufacture of cloth use yarn (other than handspun yarn) the maximum ex-factory price of which has not been specified by the Textile Commissioner under clause 22.

24. (1) No manufacturer or dealer shall sell or offer to sell any cloth or yarn at a price higher than the maximum price specified in this behalf under clause 22.

(2) Every sale of cloth or yarn by a dealer except to a consumer shall be at a price either F. O. R. station of despatch or ex-godown of storage at the buyer's option. Provided that the commission of a commission agent shall be paid by the buyer.

(3) No person acting as a commission agent in respect of a sale of cloth or yarn to which sub-clause (2) applies shall receive a commission which exceeds ½ per cent of the maximum price of the cloth or yarn the subject matter of such sale.

(4) The Textile Commissioner may by Notification in the Official Gazette provide for the giving of a cash memorandum by any manufacturer or dealer in respect of any sale transaction and for the particulars to be contained in any such cash memorandum.

(5) No manufacturer or dealer shall, without sufficient cause, refuse to sell cloth or yarn to any person.

Explanation :—The possibility or expectation of obtaining a higher price at later date shall not be deemed to be a sufficient cause for the purposes of this clause.

25. (1) Notwithstanding anything contained in sub-clause (2), no manufacturer or dealer shall, after the 30th November 1948, buy or sell or have in his possession any cloth or yarn manufactured in India and packed before the 1st August 1948.

(2) No manufacturer or dealer shall buy or sell or have in his possession any cloth or yarn after the expiration of twelve months from the last day of the

month marked on the cloth or yarn in accordance with a direction given under clause 22 and no person shall buy or sell or have in his possession any such cloth or yarn in unopened bales or cases after the expiration from the said date of a period of three months in the case of a manufacturer and a period of six months in any other case.

(3) For the purposes of this clause –

(i) a bale or case shall be deemed to be unopened if the hoops or other bindings and all outer coverings have not been removed;

(ii) cloth or yarn of Indian manufacture not bearing any markings in accordance with the directions under clause 22 shall, unless the contrary is proved, be deemed to have been manufactured and packed before the 1st August 1948.

(4) Nothing in this clause shall apply to handloom cloth.

26. Notwithstanding anything contained in sub-clauses (1) and (2) of clause 25, any cloth or yarn not disposed of within the period specified may be kept and sold by a dealer subject to the conditions notified in this behalf by the Textile Commissioner prescribing the special markings to be made on such cloth or yarn, the agency by which the marking shall be made and the fee payable for such marking:

Provided that no such cloth or yarn shall be kept undisposed of by any dealer, or any person holding on behalf of a dealer for more than six months after the date of such marking.

27. Wherein in pursuance of clause 22 (1) (*b*) or clause 26, any piece of cloth is required to be marked at one end with the ex-factory price or with the price at which it is to be sold retail, and the piece is not sold as a whole, that portion of the piece containing the price marking shall be sold last by the dealer.

28. (1) No producer shall, at any time, have in his possession—

(*a*) a quantity of unpacked cloth exceeding the total quantity of cloth produced by him during the preceding two months;

(*b*) a quantity of yarn exceeding—

(i) in the case of a person engaged in the production of yarn alone, the quantity of yarn produced by him during the preceding two months;

(ii) in the case of a person engaged in the production of cloth alone, the quantity of yarn reasonably required by him for producing cloth during the next two months; and

(iii) in the case of a person engaged in the production of cloth and yarn the sum total of the quantity of yarn reasonably required by him for the production of cloth during the next two months and the quantity equal to the yarn produced by him during the preceding two months over and above his own requirements during that period.

Explanation.—For the purposes of this sub-clause cloth on looms and yarn in the course of manufacture into cloth shall be excluded in computing the stocks in possession of a producer.

(2) No person engaged in manufacturing from cloth or yarn articles of clothing or other articles such as ropes, tapes, newar, bandages or canvas shall at any time have in his possession stocks of cloth or yarn in excess of the quantity of cloth or yarn used by him during the preceding two months in such manufacture.

(3) No dealer or processor shall at any time have in his possession stocks of cloth exceeding the total quantity of cloth sold by him during the preceding six months or exceeding such quantity as is fixed in this respect by a special order by

A25

the Textile Commissioner or by the Provincial Government or any Officer authorised by the Provincial Government in this behalf.

(4) No person shall at any time for his own needs and the needs of his family have in his possession a quantity of cloth exceeding the quantity calculated at the rate of 50 yards for every person above the age of 6 and 30 yards for every person who has not completed that age.

(5) Nothing in sub-clauses (2) and (3) applies to the possession by any person carrying on the business of banking of cloth or yarn pledged with him by a dealer or a manufacturer.

(6) For the purposes of sub-clause (2) any yarn agreed to be sold to a dealer by a manufacturer and of which delivery has not been taken by the due date shall be deemed to be in the possession of the dealer and not the manufacturer.

29. (1) Any person having in his possession cloth or yarn in excess of the quantity permitted under clause 28 shall forthwith report the fact, in the case of a manufacturer to the Textile Commissioner and in other cases to the Controller,

(2) Any manufacturer or dealer in possession of cloth or yarn in respect of which the period for disposal prescribed under clause 25 or under the proviso to clause 26 is about to expire may report the fact to the Textile Commissioner, or the Controller, respectively.

(3) Any person making a report under sub-clause (1) or sub-clause (2) shall take such action as to the storage, distribution or disposal of the cloth or yarn as the Textile Commissioner or the Controller may direct.

ADDITIONAL POWERS OF THE TEXTILE COMMISSIONER.

30. The Textile Commissioner may, with a view to securing a proper distribution of cloth or yarn or with a view to securing compliance with this order, direct any manufacturer or dealer, or any class of manufacturers or dealers.—

(*a*) to sell to such person or persons such quantities of cloth or yarn as the Textile Commissioner may specify ;

(*b*) not to sell or deliver cloth or yarn of a specified description except to such person or persons and subject to such conditions as the Textile Commissioner may specify ; and

may issue such further instruction as he thinks fit regarding the manner in which the direction is to be carried out.

31. The Textile Commissioner may, with a view to securing compliance with this order.—

(*a*) require any person to give such information in his possession with respect to any business carried on by that or any other person ;

(*b*) Inspect or cause to be inspected any books or other documents belonging to or under the control of any person ;

(*c*) enter and search, or authorise any person to enter and search, any premises and seize or authorise any person to seize any article in respect of which he has reason to believe that a contravention of this order has been committed and any other article in the premises which he has reason to believe has been or is intended to be used in connection with such contravention.

32. (1) The Textile Commissioner may, by an order, in writing direct any person who carried on the business of producing or selling a scheduled article.—

(*a*) to maintain such records of his purchases, sales, contracts, or other matters connected with his undertaking or business and in such form and manner as may be specified in the order;

(*b*) to submit to such authority returns or statements in such forms and containing such information relating to his undertaking or business and at such times as may be specified in the order.

(2) The Textile Commissioner may by general order published in the *Gazette of India* issue a direction of the nature specified in sub-clause (1) generally to any class of persons referred to therein.

33. (1) The Textile Commissioner may by a general or special permit exclude from or modify or relax to such extent as may be specified by him, the operation of any such provision in respect of any person, act or thing in any class of persons acts or things.

(2) The Textile Commissioner may in any such permit impose conditions imitations and restrictions subject to which such permit shall have effect.

(3) Notwithstanding anything contained in this order, the provisions of the clauses specified in Schedule C shall have effect subject to the powers of the Textile Commissioner under sub-clauses (1) and (2) to withdraw, modify, or relax any or all of the restrictions enacted in those provisions.

34. The Textile Commissioner may by a general oy special order in writing and with the previous sanction of the Central Government authorise any officer to exercise on his behalf all or any of his functions and powers under this order.

PROCEDURE AND PENALTY.

35. No person shall, with intent to evade the provisions of this order, refuse to give any information lawfully demanded from him under clause 31 or clause 32, or conceal, destroy, mutilate, or deface any book or other document kept by him in the course of his business.

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37. Any court trying a contravention of any of the provisions of this order may direct that any article or articles in respect of which it is satisfied that the order has been contravened shall be forfeited to His Majesty.

427

SCHEDULE 'A'

I. Cotton Card Clothing and Card Clothing Sundries for Flat Cards :—

1. Cylinder Fillet.
2. Doffer Fillet.
3. Sets of Top.
4. Stripping Fillet.
5. Burnishing Fillet.
6. Hand Stripping Cards.
7. Waltons Bruses
8. Spiral Strips.
9. Phillipsons Sheets.
10. Phillipsons Top Clearer Strips.
11. Ashworths Top Clearer Strips.
12. Ashworths Dirt Roller Fillet.
13. Rhodes Stripping Fillet.
14. Lickerin Wire.
15. Blued Steel Wire for Roving Waste opener.
16. Card Tasks.
17. Raising Fillet.

For Waste and Wedding Cards :—

18. Cylinder Fillet.
19. Doffer Fillet.
20. Roller Fillet.
21. Clearer Fillet.
22. Fancy Fillet.
23. Under Clearer Fillet.
24. Fancy Stripper Fillet.
25. Humbug Fillet.
26. Feed Roller Fillet.
27. Lockerin Fillet.
28. All other card Clothing and Sundries.

II. BOBBINS FOR USE on Textile Machines other than Jute and Hemp :—

1. Slubbing Tubes.
2. Roving Tubes.
3. Ring Rabbeth.
4. Ring Weft Pirns (including Universal and Wadia Pirns).
5. Ring Baubler Bobbins.
6. Warper Bobbins.
7. Paper Tubes and Cones.

III. Shuttles for use in Textile Looms other than Jute and Hemp.

1. Shuttles for Looms (Ordinary).
2. Shuttles for Looms (Automatic).

IV. Imported Tallow.

V. Dyes derived from Coal-tar.

VI. Hydrosulphite of Soda.

VII. Starch.

VIII. Ring Spinning frames and Mules for Mules for manufacture of Cotton yarn.